



STATE OF WASHINGTON  
ENERGY FACILITY SITE EVALUATION COUNCIL  
PO Box 43172 • Olympia, Washington 98504-3172

July 29, 2002

**PUBLIC NOTICE AND HEARING**

On the

**DRAFT APPROVAL NOTICE OF CONSTRUCTION AND PREVENTION OF  
SIGNIFICANT DETERIORATION NO. EFSEC/2001-01 AMENDMENT 1**

For the

**DUKE ENERGY GRAYS HARBOR  
SATSOP COMBUSTION TURBINE PROJECT**

**Notice of Public Comment Period - July 29, 2002 to September 4, 2002**

**Notice of Public Hearing – September 4, 2002, Montesano, Washington**

**Project Description**

On November 19, 2001, Energy Northwest and Duke Energy Grays Harbor, LLC, (jointly "Duke Energy") submitted a request to the Energy Facility Site Evaluation Council (EFSEC or Council) to amend Notice of Construction/Prevention of Significant Deterioration (NOC/PSD) permit No. EFSEC/2001-01, for the Satsop Combustion Turbine Project (Satsop CT). This submittal was part of a broader request to amend the Site Certification Agreement for the Satsop CT project, to allow the construction and operation of a second 650 megawatt (MW) energy facility (Satsop CT Phase II), on the existing Satsop CT project site.

EFSEC is the state agency responsible for siting and permitting the construction and operation of thermal energy projects greater than 350 megawatts in the state of Washington. In May 1996, Energy Northwest was granted a Site Certification Agreement (SCA) by the Governor of Washington State to construct and operate the Satsop CT near Elma, Washington. In February 2001, The Energy Facility Site Evaluation Council authorized the addition of Duke Energy Grays Harbor, LLC, as a co-holder and co-permittee of the Satsop CT SCA. Construction of Satsop CT (Phase I) began in September 2001. The Satsop CT is located in Grays Harbor County, at 401 Keys Road, Elma, Washington, 98541, on a 20-acre site south of the Chehalis River, within an existing construction laydown area in the Satsop Development Park.

The Council has been delegated the authority under Chapter 40 Code of federal Regulations (CFR) Part 52 to issue permits under the Prevention of Significant Deterioration (PSD) program. EFSEC issued a first NOC/PSD Permit (No. EFSEC/95-01) to Energy Northwest on September 12, 1996, for the purpose of constructing the Satsop CT project, and two successive 18 month extensions (March 1998 and

September 1999). EFSEC issued a second NOC/PSD Permit (No. EFSEC/2001-01) in October 2001. To comply with procedural requirements, the Council has contracted with the Washington Department of Ecology's Air Quality Program to prepare a draft amendment to NOC/PSD permit No. EFSEC/2001-01 ("Amendment 1") and fact sheet that will satisfy pertinent requirements, for Council and public consideration.

Phase I, currently under construction, consists of two General Electric gas combustion turbines (GE 7FA). Each unit will have a heat recovery steam generator (HRSG) and supplementary duct burner. Other major components of the project include one steam turbine generator, one auxiliary boiler, and one forced draft cooling tower system. The Phase II addition would be identical to Phase I. The proposed facility would use natural gas fuel only for the combustion turbines. Both Phase I and Phase II are 600 Megawatts (MW) nominal each, with a maximum output of 650 MW each, for a total 1300 MW for the entire Satsop CT project.

The Satsop CT Phase II facility is considered a major modification of the permitted Phase I facility, because it would emit more than 100 tons per year of nitrogen oxides ( $\text{NO}_x$ ), carbon monoxide (CO), and particulate matter ( $\text{PM}_{10}$ ). Emissions of  $\text{NO}_x$ , CO, sulfur dioxide ( $\text{SO}_2$ ), VOC,  $\text{PM}_{10}$ , and sulfuric acid mist ( $\text{H}_2\text{SO}_4$ ) are subject to regulation under the PSD program. Other pollutants are subject to regulation under the requirements of state law and EFSEC regulations.

Based on the November 2001 submittal to EFSEC, Duke Energy proposes to control nitrogen oxides ( $\text{NO}_x$ ) emissions from each of the four gas turbine/heat recovery steam generator exhaust stacks to 2.5 parts per million volume dry one hour average (ppmvd) (21.7 pounds per hour (lb/hr)) by the use of dry-Low  $\text{NO}_x$  combustors in combination with Selective Catalytic Reduction (SCR). An oxidation catalyst is proposed to control carbon monoxide (CO) emissions to 2 ppmvd on a three hour average (10.6 lb/hr, three hour average), and volatile organic compounds (VOC) emissions to 6.3 lb/hr. Burning pipeline quality natural gas would control particulate matter emissions (filterable and condensable) to 22.6 lb/hr, sulfur dioxide emissions to 3.3 lb/hr on a rolling annual average, and 19.8 lb/hr on a one hour average, and sulfuric acid to 2.17 lbs. per hour on a rolling annual average. Toxics-BACT for ammonia will consist of selective catalytic reduction with an emission limit of 5 ppmvd.

Emissions from the auxiliary boiler would be controlled by a combination of Flue Gas Recirculation and low  $\text{NO}_x$  burners for controlling  $\text{NO}_x$  emissions to 30 ppmvd. Particulate matter emissions (condensable and filterable) would be limited to 7 pounds per day. The auxiliary boiler would be fired with natural gas, and the operation of the auxiliary boiler would be limited to 500 hours per year.

#### **Preliminary Determination to Issue Permit**

After reviewing the November 2001 request for NOC/PSD permit amendment, the accompanying BACT evaluation submitted by Duke Energy, and additional information submittals by the applicant, the Council has made a preliminary determination that all requirements for PSD and New Source Review are satisfied, and that if the preliminary draft permit amendment were approved, the emission units would comply with all applicable federal and Washington state new source performance standards, in accordance with the provisions of Chapters 463-42-385 and 173-400, and -460 of the Washington Administrative Code (WAC) and the Code of Federal Regulations (CFR), 40 CFR Parts 52.21 and 60.

The Council has determined that allowable emissions from the proposed emission units, in conjunction with all other applicable emission increases or reductions (including secondary emissions) would not cause or contribute to violation of any ambient air quality standard or any applicable maximum allowable increase over the baseline concentration in any area.

Modeling indicates that that there would be no significant impacts resulting from pollutant deposition on soils and vegetation in the Class I areas: Olympic National Park, Mt. Rainier National Park, Goat Rocks Wilderness, Alpine lakes Wilderness, Glacier Peak Wilderness, Mt. Hood Wilderness, Pasayten Wilderness, Mt. Baker Wilderness and the Columbia River Gorge National Scenic Area. Ambient impact analysis indicates that it is very unlikely that the proposed emissions would cause significant degradation of regional visibility, or impairment of visibility in any Class I area. The Satsop CT Project is unlikely to have a significant impact on vegetation, soil, and aquatic resources in Class I or Class II areas.

A final determination on this PSD/NOC permit amendment approval will not be made until after the 30-day public comment period, and until all comments received pursuant to this notice have been considered.

### **Public Comment**

#### ***Copies of Fact Sheet and Draft Permit Available***

This notice serves as the Council's official notification that the draft NOC/PSD permit amendment has been issued, and is available for public inspection and comment. It also serves as notice that members of the public and interested parties have an opportunity to submit written comments to the Council on the draft NOC/PSD permit amendment.

The draft permit NOC/PSD No. EFSEC/2001-01 Amendment 1 and the corresponding Fact Sheet (a supplement to the permit to provide more detailed information) are available for review during the public comment period at the locations below. Copies of these documents are available free of charge upon request from EFSEC by contacting Irina Makarow at (360) 956-2047.

#### **Copies available for public reference and copying:**

Washington Energy Facility  
Site Evaluation Council  
925 Plum Street SE, Building 4  
P.O. Box 43172  
Olympia, WA 98504-3172  
8:00 a.m. to 5:00 p.m. weekdays  
Phone (360) 956-2121

Washington State Department of Ecology  
300 Desmond Drive  
Lacey, Washington.  
8:00 a.m. to 4:30 p.m. weekdays  
Please contact Alan Newman at  
(360) 407-6810.

#### **Copies available for public reference:**

W.H. Abel Memorial Library  
125 Main Street South  
Montesano, WA 98563-3794

#### **In electronic format on the internet:**

The EFSEC web site at [www.efsec.wa.gov](http://www.efsec.wa.gov)

### ***Comments Invited***

The public comment period will extend from July 29, 2002 to September 4, 2002. Interested persons may review the documents and submit written comments regarding the proposed permit. Written comments must be submitted to the Energy Facility Site Evaluation Council at the address below. Written comments will be accepted through the end of the September 4, 2002, public hearing.

Written comments should be submitted to the attention of:

Allen Fiksdal, EFSEC, P.O. Box 43172, Olympia, WA 98504-3172

All persons, including the applicant, who believe this approval or any condition of the proposed approval is inappropriate must raise all reasonably ascertainable issues and submit all reasonably available arguments supporting their position in writing by the end of the comment period. Any supporting materials which are submitted shall be included in full and may not be incorporated by reference, unless they are already part of the administrative record for this proposed approval or are generally available reference material.

***Public Hearing***

A public hearing on this matter will be held on **Wednesday, September 4, 2002**, beginning at **6:30 p.m.**, at the **Montesano City Hall, 112 North Main St., Montesano, Washington, 98563**.

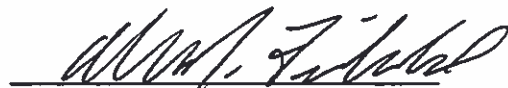
Any affected party may submit a written request to the Council to provide oral comments at the public hearing. Requests must be submitted to the Council during the public comment period. The request must indicate the interest of the party and identify specific concerns. The hearing will be conducted in accordance with the Administrative Procedures Act, Chapter 34.05 Revised Code of Washington. Testimony will be taken under oath. The hearing will be transcribed and the Council in making its final determination will consider the testimony. In order to assure a fair opportunity for all interested persons to comment, the Council may impose a time limit on testimony.

**Additional Information**

Please bring this Notice to the attention of persons who you know would be interested in this matter.

Once the final determination is made on this request for amendment, a copy of the Council's final determination regarding the proposed amendment will be filed for review at the locations above. Within 30 calendar days after the final decision has been issued, any person who commented on the draft approval may petition the EPA Administrator, under 40 CFR 124.19, to review any condition of the decision. Any person who failed to file comments or failed to participate in the public hearing on the draft may petition for administrative review only to the extent of the changes from the draft to the final approved decision.

For more information, or if you have special accommodation needs, contact Irina Makarow at (360) 956-2047 (Voice) or (360) 586-4224 (TDD).



By: Allen J. Fiksdal, EFSEC Manager  
PO Box 43172  
Olympia, Washington 98504-3172

Dated at Olympia, Washington this 29<sup>th</sup> day of July, 2002.